



COMMODITY FUTURES TRADING COMMISSION

Agency Information Collection Activities: Notice of Intent to Renew Collection

3038-0074, Core Principles and Other Requirements for Swap Execution Facilities

AGENCY: Commodity Futures Trading Commission.

ACTION: Notice.

SUMMARY: The Commodity Futures Trading Commission (Commission) is announcing an opportunity for public comment on the renewal of the collection of certain information by the agency. Under the Paperwork Reduction Act (PRA), Federal agencies are required to publish notice in the Federal Register concerning each proposed collection of information and to allow 60 days for public comment. This notice solicits comments in connection with part 37 of the Commission's regulations, which requires certain recordkeeping and reporting information collections for swap execution facilities (SEFs).

DATES: Comments must be submitted on or before **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

ADDRESSES: You may submit comments, identified by "Renewal of Collection Pertaining to Core Principles and Other Requirements for Swap Execution Facilities" by any of the following methods:

- The Agency's web site, at <http://comments.cftc.gov/>. Follow the instructions for submitting comments through the web site.
- Mail: Christopher Kirkpatrick, Secretary of the Commission, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW., Washington, DC 20581.

- Hand Delivery/Courier: Same as Mail above.
- Federal eRulemaking Portal: <http://www.regulations.gov/>. Follow the instructions for submitting comments through the Portal.

Please submit your comments using only one method.

FOR FURTHER INFORMATION: Steven A. Haidar, Attorney-Advisor, Division of Market Oversight, Commodity Futures Trading Commission, (202) 418-5611; email: shaidar@cftc.gov, and refer to OMB Control No. 3038-0074.

SUPPLEMENTARY INFORMATION: Under the PRA, Federal agencies must obtain approval from the Office of Management and Budget (OMB) for each collection of information they conduct or sponsor. “Collection of Information” is defined in 44 U.S.C. 3502(3) and 5 CFR 1320.3 and includes agency requests or requirements that members of the public submit reports, keep records, or provide information to a third party. Section 3506(c)(2)(A) of the PRA, 44 U.S.C. 3506(c)(2)(A), requires Federal agencies to provide a 60-day notice in the Federal Register concerning each proposed collection of information before submitting the collection to OMB for approval. To comply with this requirement, the Commission is publishing notice of the existing collections of information listed below.

Title: Core Principles and Other Requirements for Swap Execution Facilities (OMB Control No. 3038-0074). This is a request for extension of currently approved information collections.

Abstract: Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) added new section 5h to the Commodity Exchange Act (CEA) to impose requirements concerning the registration and operation of SEFs, which

the Commission has incorporated in part 37 of its regulations.¹ These information collections are needed for the Commission to ensure that SEFs (and entities applying for SEF registration) comply with these requirements. Among other requirements, part 37 of the Commission's regulations imposes SEF registration requirements for a trading platform or system, obligates SEFs to provide transaction confirmations to swap counterparties, and requires SEFs to comply with 15 core principles.²

With respect to these information collections, the Commission invites comments on:

- Whether the collections of information are necessary for the proper performance of the functions of the Commission, including whether the information will have a practical use;
- The accuracy of the Commission's estimate of the burden of the collections of information, including the validity of the methodology and assumptions used;
- Ways to enhance the quality, usefulness, and clarity of the information to be collected; and
- Ways to minimize the burden of collection of information on those who are to respond, including through the use of appropriate automated electronic, mechanical, or

¹ In general, this OMB control number covers the information collections in part 37 of the Commission's regulations, including Subpart A and the SEF core principles (i.e., Subparts B and C). However, any information collections related to § 37.10 of the Commission's regulations are subject to a separate information collection with OMB control number 3038-0099 (Process for a Swap Execution Facility or Designated Contract Market to Make a Swap Available to Trade).

² These 15 core principles include: enforcing rules; listing contracts for trading that are not readily susceptible to manipulation; monitoring trading to prevent market manipulation; obtaining information; adopting position limits or position accountability levels; adopting rules to enforce financial integrity of swaps transactions entered on or through the SEF; adopting rules to provide for the exercise of emergency authority, in consultation with the Commission; making public information regarding prices and volume on a timely basis; maintaining records of all activities of the business of the contract market in a form and manner acceptable to the Commission for five years; avoiding rules that result in unreasonable restraints of trade or anticompetitive burden on trading; enforcing rules to minimize conflicts of interest in its decision-making process; maintaining adequate financial resources; establishing system safeguards; and designating a chief compliance officer.

other technological collection techniques or other forms of information technology; e.g., permitting electronic submission of responses.

All comments must be submitted in English, or if not, accompanied by an English translation. Comments will be posted as received to <http://www.cftc.gov>. You should submit only information that you wish to make available publicly. If you wish the Commission to consider information that you believe is exempt from disclosure under the Freedom of Information Act, a petition for confidential treatment of the exempt information may be submitted according to the procedures established in § 145.9 of the Commission's regulations.³

The Commission reserves the right, but shall have no obligation, to review, pre-screen, filter, redact, refuse or remove any or all of your submission from <http://www.cftc.gov> that it may deem to be inappropriate for publication, such as obscene language. All submissions that have been redacted or removed that contain comments on the merits of the Information Collection Request will be retained in the public comment file and will be considered as required under the Administrative Procedure Act and other applicable laws, and may be accessible under the Freedom of Information Act.

Burden Statement: Part 37 of the Commission's regulations result in information collection requirements within the meaning of the PRA. These regulations impose requirements concerning the registration and operation of SEFs, including requiring SEFs to continually be in compliance with 15 core principles. The Commission initially estimated that each respondent SEF would incur annually 308 burden hours in connection with collections of information and that there would be 35 SEF respondents

³ 17 CFR 145.9.

for an aggregate of 10,780 annual burden hours.⁴ Based on the Commission's observation of registered SEFs' operations and compliance with part 37's requirements, the Commission is increasing this estimate and now estimates that each respondent SEF would incur annually 1,000 burden hours. Additionally, the Commission notes that rather than the initial estimate of 35 SEFs, there currently are 22 SEFs registered with the Commission. The recurring annual burden hours for each SEF are increased as noted in the applicable table below.

Furthermore, in its initial PRA analysis, the Commission did not explicitly distinguish the non-recurring burden hours related to the registration process from the Commission's estimate of the recurring, annual burden hours, but rather provided an aggregated number.⁵ Based on the experience gained by the Commission during the SEF permanent registration review process, the Commission estimates that each SEF incurs approximately 300 non-recurring burden hours in connection with completing the registration process. The non-recurring burden hours for each SEF are noted in the applicable table below.

Recurring Annual Burden Hours for SEFs	
Respondents/Affected Entities:	SEFs
Estimated number of respondents:	22 ⁶
Estimated annual burden hours per respondent SEF:	1000 burden hours
Estimated total annual burden on respondents:	22,000 hours ⁷

⁴ See 78 FR 33476, 33549. (35 SEFs x 308 burden hours = 10,780 hours per SEF).

⁵ See *id.*

⁶ In the part 37 final rule release, the Commission estimated that there would be 35 SEFs. See *id.* The Commission, however, notes that 22 SEFs are currently registered with the Commission. Accordingly, the revised aggregate burden hour estimate accounts for both the increased annual burden hours estimate to 1,000 hours per SEF as well as the decrease in the number of SEFs from 35 to 22.

Frequency of collection:	Once per trade day ⁸
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Non-Recurring Burden Hours for SEFs	
Respondents/Affected Entities:	SEFs
Estimated number of respondents:	4 ⁹
Estimated annual burden hours per respondent SEF:	300
Estimated total annual burden on respondents:	1,200 ¹⁰
Frequency of collection:	Initial registration

(Authority: 44 U.S.C. 3501 et seq.)

Dated: July 19, 2016

Robert N. Sidman,

Deputy Secretary of the Commission.

⁷ 1,000 average recurring burden hours per respondent SEF x 22 registered SEFs = 22,000 total burden hours for all registered SEFs.

⁸ The Commission notes that respondent SEFs also are required to provide 4 quarterly reports and one annual report as part of their recurring information collection obligations.

⁹ Based on the number of applicants that have applied for permanent SEF registration since the Commission first granted permanent registration status to SEFs on January 22, 2016, the Commission expects to receive 4 applications per year for permanent SEF registration.

¹⁰ 300 average initial burden hours per respondent SEF x 4 anticipated SEF applicants = 1,200 total burden hours incurred for all anticipated SEF applicants.

